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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-067]

Forged Steel Fittings from the People's Republic of China: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that imports of forged steel fittings from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Katherine Johnson at (202) 482-4929 or Irene Gorelik at (202) 482-6905, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On May 17, 2018, Commerce published in the *Federal Register* the *Preliminary Determination* and invited interested parties to comment.¹ A summary of the events that occurred since Commerce published the *Preliminary Determination* may be found in the Issues

¹ See *Forged Steel Fittings from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures*, 82 FR 22948 (May 17, 2018) (Preliminary Determination) and accompanying Preliminary Decision Memorandum.

and Decision Memorandum that is dated concurrently with this determination and hereby adopted by this notice.²

The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version are identical in content.

Period of Investigation

The period of investigation is April 1, 2017, through September 30, 2017.

Scope of the Investigation

The products covered by this investigation are forged steel fittings from China. For a full description of the scope of this investigation, *see* the "Scope of the Investigation," at Appendix I.

Scope Comments

During the course of this investigation and the concurrent investigations of forged steel fittings from China (CVD), Italy and Taiwan, Commerce received numerous scope comments from interested parties. Commerce issued a Preliminary Scope Decision Memorandum³ and a Second Preliminary Scope Decision Memorandum⁴ to address these comments. For a summary of the product coverage comments and rebuttals submitted to the records of this investigation and

² See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Forged Steel Fittings from the People's Republic of China" (Issues and Decision Memorandum).

³ See Memorandum to the File, "Scope Comments Decision Memorandum for the Preliminary Determinations," dated March 7, 2018 (Preliminary Scope Decision Memorandum).

⁴ See Memorandum to the File, "Second Preliminary Scope Decision Memorandum," dated May 7, 2018 (Second Preliminary Scope Decision Memorandum).

the concurrent investigations of forged steel fittings from China (CVD), Italy and Taiwan for consideration in the final determinations, and our accompanying discussion and analysis of them, *see* the Final Scope Decision Memorandum, issued on July 23, 2018, concurrent with the final determination in the LTFV investigation of forged steel fittings from Taiwan.⁵ *See* Appendix I for the final scope of the investigation.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum accompanying this notice. A list of the issues addressed in the Issues and Decision Memorandum is attached to this notice at Appendix II.

For the final determination Commerce continues to rely upon facts otherwise available, with adverse inferences (AFA), for the China-wide entity, including the single entity comprising Jiangsu Haida Pipe Fittings Group Company Ltd., Haida Pipe Co., Ltd., and Yancheng L&W International Co., Ltd. (collectively, Haida), pursuant to sections 776(a) and (b) of the Act.

Separate Rates

For the final determination, we continue to find that 15 exporters are entitled to a separate rate, as noted below. In the *Preliminary Determination*, we assigned, as the separate rate, the margin calculated for Both-Well (Taizhou) Steel Fittings Co., Ltd. (Both-Well), the sole mandatory respondent for which we preliminarily calculated an estimated weighted-average dumping margin, consistent with our practice.⁶ For the final determination, we continue to

⁵ *See* Memorandum, “Forged Steel Fittings from China, Italy and Taiwan: Final Scope Determination Decision Memorandum,” dated July 23, 2018 (Final Scope Decision Memorandum); *see also*, Memorandum to the File, “Placing Carbon Steel Butt Weld Pipe Fitting Scope Information Ruling on the Record,” dated September 19, 2018.

⁶ *See Preliminary Determination*, 82 FR at 22949-22950, and accompanying Preliminary Decision Memorandum at 15-16.

assign the estimated weighted-average dumping margin calculated for Both-Well to the exporters that are entitled to a separate rate.

China-Wide Entity

For the final determination, we continue to find that the China-wide entity, which includes certain Chinese exporters and/or producers that did not respond to Commerce's requests for information, failed to provide necessary information, failed to provide information in a timely manner, and significantly impeded this proceeding by not submitting the requested information. We also continue to find that the China-wide entity failed to cooperate. As a result, we continue to determine for the China-wide entity an estimated weighted-average dumping margin on the basis of AFA pursuant to section 776(b) of the Act. In the *Preliminary Determination*, Commerce based the AFA rate for the China-wide entity on the petition margin of 142.72 percent.⁷ For this final determination, we continue to rely on AFA in determining the rate for the China-wide entity and, as AFA, we continue to select the petition margin of 142.72 percent as the estimated weighted-average dumping margin for the China-wide entity (including Haida), as corroborated in the *Preliminary Determination*.

Combination Rates

In the *Initiation Notice*,⁸ Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁹

⁷ *Id.* at 22950 and accompanying Preliminary Decision Memorandum at 21.

⁸ See *Initiation Notice*, 82 FR at 50618.

⁹ See Enforcement and Compliance's Policy Bulletin No. 05.1, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries" (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Final Determination

The final estimated weighted-average dumping margins are as follows:

Exporter	Producer	Estimated Weighted-Average Dumping Margin (percent)
Both-Well (Taizhou) Steel Fittings Co., Ltd.	Both-Well (Taizhou) Steel Fittings Co., Ltd.	8.00
Dalian Guangming Pipe Fittings Co., Ltd.	Yancheng Jiuwei Pipe Fittings Co., Ltd.	8.00
Dalian Guangming Pipe Fittings Co., Ltd.	Yancheng Manda Pipe Industry Co., Ltd.	8.00
Dalian Guangming Pipe Fittings Co., Ltd.	Yancheng Haohui Pipe Fittings Co., Ltd.	8.00
Dalian Guangming Pipe Fittings Co., Ltd.	Jiangsu Haida Pipe Fittings Group Co., Ltd.	8.00
Eaton Hydraulics (Ningbo) Co., Ltd.	Eaton Hydraulics (Ningbo) Co., Ltd.	8.00
Eaton Hydraulics (Luzhou) Co., Ltd.	Eaton Hydraulics (Luzhou) Co., Ltd.	8.00
Eaton Hydraulics (Luzhou) Co., Ltd.	Luzhou City Chengrun Mechanics Co., Ltd.	8.00
Eaton Hydraulics (Luzhou) Co., Ltd.	Eaton Hydraulics (Ningbo) Co., Ltd.	8.00
Jiangsu Forged Pipe Fittings Co., Ltd.	Jiangsu Forged Pipe Fittings Co., Ltd.	8.00
Jinan Mech Piping Technology Co., Ltd.	Jinan Mech Piping Technology Co., Ltd.	8.00
Jining Dingguan Precision Parts Manufacturing Co., Ltd.	Jining Dingguan Precision Parts Manufacturing Co., Ltd.	8.00
Lianfa Stainless Steel Pipes & Valves (Qingyun) Co., Ltd.	Lianfa Stainless Steel Pipes & Valves (Qingyun) Co., Ltd.	8.00
Ningbo Long Teng Metal Manufacturing Co., Ltd.	Ningbo Long Teng Metal Manufacturing Co., Ltd.	8.00
Ningbo Save Technology Co., Ltd.	Ningbo Save Technology Co., Ltd.	8.00
Q.C. Witness International Co., Ltd.	Ningbo HongTe Industrial Co., Ltd.	8.00
Q.C. Witness International Co., Ltd.	Cixi Baicheng Hardware Tools, Ltd.	8.00

Qingdao Bestflow Industrial Co., Ltd.	Yancheng Boyue Tube Co., Ltd.	8.00
Xin Yi International Trade Co., Limited	Yancheng Jiuwei Pipe Fittings Co., Ltd.	8.00
Xin Yi International Trade Co., Limited	Yancheng Manda Pipe Industry Co., Ltd.	8.00
Xin Yi International Trade Co., Limited	Yancheng Haohui Pipe Fittings Co., Ltd.	8.00
Xin Yi International Trade Co., Limited	Jiangsu Haida Pipe Fittings Group Co., Ltd.	8.00
Xin Yi International Trade Co., Limited	Yingkou Guangming Pipeline Industry Co., Ltd.	8.00
Xin Yi International Trade Co., Limited	Shanghai Lon Au Stainless Steel Materials Co., Ltd.	8.00
Yingkou Guangming Pipeline Industry Co., Ltd.	Yingkou Guangming Pipeline Industry Co., Ltd.	8.00
Yingkou Guangming Pipeline Industry Co., Ltd.	Yancheng Jiuwei Pipe Fittings Co., Ltd.	8.00
Yingkou Guangming Pipeline Industry Co., Ltd.	Yancheng Manda Pipe Industry Co., Ltd.	8.00
Yingkou Guangming Pipeline Industry Co., Ltd.	Yancheng Haohui Pipe Fittings Co., Ltd.	8.00
Yingkou Guangming Pipeline Industry Co., Ltd.	Jiangsu Haida Pipe Fittings Group Co., Ltd.	8.00
Yuyao Wanlei Pipe Fitting Manufacturing Co., Ltd.	Yuyao Wanlei Pipe Fitting Manufacturing Co., Ltd.	8.00
China-Wide Entity ¹⁰		142.72

¹⁰ The China-wide entity includes: (1) Beijing Better Products International Ltd.; (2) Dalian Newshow Pipeline Industry Co.; (3) G&T Industry Holding Ltd.; (4) Shanxi Baolongda Forging Company Ltd.; (5) Shaanxi Fenry Flanges and Fittings Co., Ltd.; (6) Shenzhen Front Valve Co., Ltd.; (7) Qingdao Eathu Casting and Forging Co., Ltd.; (8) Gaoyou Huaxing Petroleum Pipe Manufacture Co., Ltd.; and (9) the single entity comprising Jiangsu Haida Pipe Fittings Group Company Ltd., its affiliated producer Haida Pipe Co., Ltd., and its affiliated reseller Yancheng L&W International Co., Ltd.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, for this final determination, we will direct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of forged steel fittings from China, as described in Appendix I of this notice, which are entered, or withdrawn from warehouse, for consumption on or after May 17, 2018, the date of publication in the *Federal Register* of the affirmative *Preliminary Determination*. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the weighted average amount by which normal value exceeds U.S. price, as indicated in the chart above as follows: (1) for the producer/exporter combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of Chinese producers/exporters of merchandise under consideration that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (3) for all third-country exporters of merchandise under consideration not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the Chinese producer/exporter combination (or the China-wide entity) that supplied that third-country exporter. These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

Commerce intends to disclose to interested parties the calculations performed in connection with this final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of the notice of final determination in the *Federal Register*, in accordance with 19 CFR 351.224(b).

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of forged steel fittings, no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated and all cash deposits posted will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Continuation of Suspension of Liquidation" section.

Notification Regarding Administrative Protective Orders

This notice will serve as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of propriety information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: October 1, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is carbon and alloy forged steel fittings, whether unfinished (commonly known as blanks or rough forgings) or finished. Such fittings are made in a variety of shapes including, but not limited to, elbows, tees, crosses, laterals, couplings, reducers, caps, plugs, bushings, unions, and outlets. Forged steel fittings are covered regardless of end finish, whether threaded, socket-weld or other end connections.

While these fittings are generally manufactured to specifications ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350 and ASTM A182, the scope is not limited to fittings made to these specifications.

The term forged is an industry term used to describe a class of products included in applicable standards, and does not reference an exclusive manufacturing process. Forged steel fittings are not manufactured from casting. Pursuant to the applicable specifications, subject fittings may also be machined from bar stock or machined from seamless pipe and tube.

All types of fittings are included in the scope regardless of nominal pipe size (which may or may not be expressed in inches of nominal pipe size), pressure rating (usually, but not necessarily expressed in pounds of pressure/PSI, *e.g.*, 2,000 or 2M; 3,000 or 3M; 6,000 or 6M; 9,000 or 9M), wall thickness, and whether or not heat treated.

Excluded from this scope are all fittings entirely made of stainless steel. Also excluded are flanges, butt weld fittings, butt weld outlets, nipples, and all fittings that have a maximum pressure rating of 300 pounds of pressure/PSI or less.

Also excluded are fittings certified or made to the following standards, so long as the fittings are not also manufactured to the specifications of ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350 and ASTM A182:

- American Petroleum Institute (API) 5CT, API 5L, or API 11B

- Society of Automotive Engineering (SAE) J476, SAE J514, SAE J516, SAE J517, SAE J518, SAE J1026, SAE J1231, SAE J1453, SAE J1926, J2044 or SAE AS 35411
- Underwriter's Laboratories (UL) certified electrical conduit fittings
- ASTM A153, A536, A576, or A865
- Casing Conductor Connectors 16-42 inches in diameter made to proprietary specifications
- Military Specification (MIL) MIL-C-4109F and MIL-F-3541
- International Organization for Standardization (ISO) ISO6150-B

To be excluded from the scope, products must have the appropriate standard or pressure markings and/or be accompanied by documentation showing product compliance to the applicable standard or pressure, *e.g.*, "API 5CT" mark and/or a mill certification report.

Subject carbon and alloy forged steel fittings are normally entered under Harmonized Tariff Schedule of the United States (HTSUS) 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. They also may be entered under HTSUS 7307.92.3010, 7307.92.3030, 7307.92.9000, and 7326.19.0010. The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Changes from the Preliminary Determination
- IV. Discussion of the Issues
 - Comment 1: Application of the Special Rule for Multinational Corporations (MNC Rule) to the Calculation for Both-Well
 - Comment 2: Surrogate Country Selection
 - Comment 3: Exclusion of Import Data with Quantities of Zero
 - Comment 4: Conversion of GTA Data from FOB to CIF Basis
 - Comment 5: Assignment of Total Adverse Facts Available to Haida
 - Comment 6: Correction of Ministerial Error
- V. Recommendation

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